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TOWN OF ROSEPINE, LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-7-01

## TABLE OF CONTENTS

	Statement	Schedule	Page
INDEPENDENT AUDITOR'S REPORT			1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)			
Combined Balance Sheet - All Fund Types and Account Groups	A		4-5
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	B		6
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C		7
Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type	D		8
Statement of Cash Flows - Proprietary Fund Type	E		9-10
Notes to Financial Statements	-		11-27
SUPPLEMENTAL INFORMATION SCHEDULES			
Individual Fund Financial Statements			
General Fund:			
Balance Sheet	-	1	30
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	-	2	31
Schedule of Revenues Compared to Budget (GAAP Basis )	-	3	32
Schedule of Expenditures Compared to Budget (GAAP Basis)	-	4	33
Capital Projects Fund:			
Balance Sheet	-	5	35
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	-	6	36

## TABLE OF CONTENTS

	Statement	Schedule	Page
Enterprise Fund:			
Balance Sheet	-	7	38-40
Schedules of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type	-	8	41
Schedule of Cash Receipts and Disbursements - Restricted Accounts Required by Bond Ordinance	-	9	42
Account Group Financial Statements			
General Fixed Assets Account Group:			
Schedule of General Fixed Assets	-	10	43
Schedule of Changes in General Fixed Assets	-	11	44
Schedule of Per Diem Paid to Board Members	-	12	45
Schedule of Prior Year Audit Findings	-	13	46
Schedule of Corrective Action Plan for Current Year Audit Findings	-	14	47-49
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"			50-51

# **John A. Windham, CPA**

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John A. Windham, CPA

## INDEPENDENT AUDITOR'S REPORT

The Honorable Jeff James, Mayor  
and the Members of The Board of Aldermen  
Town of Rosepine, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Rosepine, Louisiana, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Rosepine, Louisiana, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

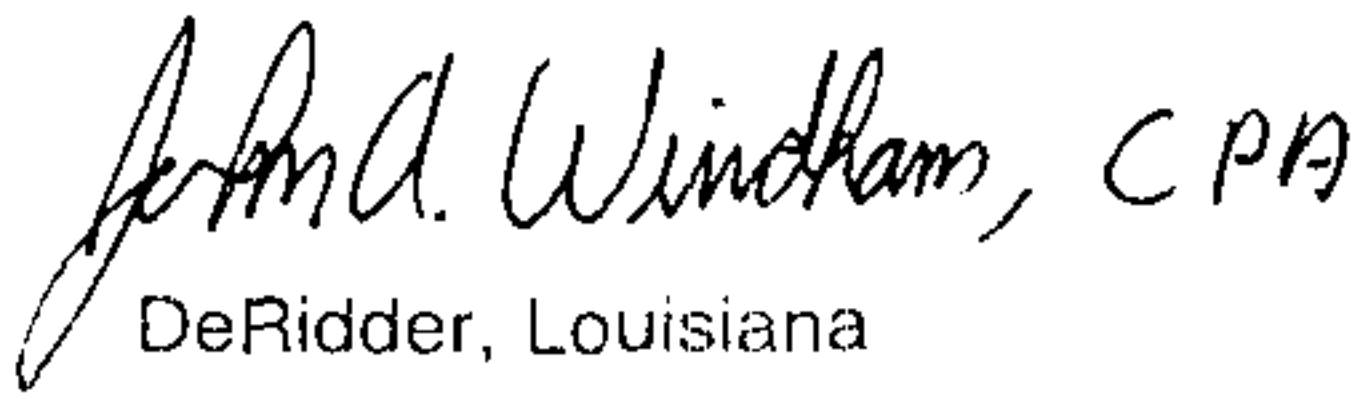
I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Rosepine, Louisiana, as of June 30, 2000 and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, I have also issued my report dated November 3, 2000 on my consideration of the Town of Rosepine, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The Honorable Jeff James, Mayor  
and the Members of The Board of Aldermen  
Town of Rosepine, Louisiana

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Rosepine, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements; and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Handwritten signature of J. A. Windham, CPA in cursive script.

DeRidder, Louisiana  
November 3, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

# TOWN OF ROSEPINE

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

June 30, 2000

ASSETS	Governmental Fund Types	
	General	Capital Projects
Cash	\$ 198,762	\$ 56
Receivables -		
Franchise taxes	8,041	---
Accounts, net of allowance for doubtful accounts	---	---
Federal funds	3,855	---
Due from other funds	168	---
Due from other governmental units	1,476	---
Prepaid expenses	2,971	---
Restricted assets	---	---
Property, Plant and Equipment-net	---	---
Total assets	<u>\$ 215,273</u>	<u>\$ 56</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 9,139	\$ ---
Due to other funds	3,985	56
Payable from restricted assets -		
Bonds	---	---
Accrued interest	---	---
Customers' deposits	---	---
Bonds, mortgage and note payable	---	---
General long-term debt	---	---
Total liabilities	<u>\$ 13,124</u>	<u>\$ 56</u>

## Statement A

Proprietary Fund Type Enterprise	Account Group General Fixed Assets	Totals (Memorandum Only) 2000
\$ 161,010	\$ ---	\$ 359,828
---	---	8,041
24,355	---	24,355
---	---	3,855
4,041	---	4,209
---	---	1,476
3,825	---	6,796
89,002	---	89,002
2,242,500	127,696	2,370,196
\$ 2,524,733	\$ 127,696	\$ 2,867,758
\$ 7,819	\$ ---	\$ 16,958
168	---	4,209
25,597	---	25,597
4,024	---	4,024
26,690	---	26,690
758,255	---	758,255
---	---	---
\$ 822,553	\$ ---	\$ 835,733

(Continued)

The accompanying notes are an integral part of this statement.



# TOWN OF ROSEPINE

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

June 30, 2000

LIABILITIES AND FUND EQUITY	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Capital Projects</u>
Fund equity:		
Contributed capital	\$ ---	\$ ---
Investment in general fixed assets	---	---
Retained earnings -		
Reserved for bond retirement and contingencies	---	---
Unreserved - (deficit)	---	---
Total retained earnings (deficit)	<u>\$ ---</u>	<u>\$ ---</u>
Fund balances -		
Unreserved - undesignated	<u>\$ 202,149</u>	<u>\$ ---</u>
Total fund equity	<u>\$ 202,149</u>	<u>\$ ---</u>
Total liabilities and fund equity	<u>\$ 215,273</u>	<u>\$ ---</u>

Statement A

Proprietary Fund Type Enterprise	Account Group General Fixed Assets	Totals (Memorandum Only) 2000
\$ 2,047,221 ---	\$ --- 127,696	\$ 2,047,221 127,696
36,611 (381,652) \$ (345,041)	--- --- \$ ---	36,611 (381,652) \$ (345,041)
\$ ---	\$ ---	\$ 202,149
\$ 1,702,180	\$ 127,696	\$ 2,032,025
\$ 2,524,733	\$ 127,696	\$ 2,867,758

(Concluded)

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEPINE

## Statement B

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
Year Ended June 30, 2000

	Governmental Fund Types		
	General	Capital Projects	Totals (Memorandum) Only)
Revenues:			
Taxes:	\$ 53,333	\$ ---	\$ 53,333
Licenses and permits	30,775	---	30,775
Intergovernmental	33,561	152,000	185,561
Fines and forfeits	71,147	---	71,147
Other revenues	3,792	---	3,792
Total revenues	<u>\$ 192,608</u>	<u>\$ 152,000</u>	<u>\$ 344,608</u>
Expenditures:			
General government	\$ 40,227	\$ ---	\$ 40,227
Public safety	79,988	---	79,988
Public works	---	152,000	152,000
Highways and streets	18,791	---	18,791
Total expenditures	<u>\$ 139,006</u>	<u>\$ 152,000</u>	<u>\$ 291,006</u>
Excess of revenues over expenditures	\$ 53,602	\$ ---	\$ 53,602
Fund balance, beginning	<u>148,547</u>	<u>---</u>	<u>148,547</u>
Fund balance, ending	<u>\$ 202,149</u>	<u>\$ ---</u>	<u>\$ 202,149</u>

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEPINE

## Statement C

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 2000

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 54,500	\$ 53,333	\$ (1,167)
Licenses and permits	27,000	30,775	3,775
Intergovernmental	21,000	33,561	12,561
Fines and forfeits	35,000	71,147	36,147
Other revenues	2,175	3,792	1,617
Total revenues	<u>\$ 139,675</u>	<u>\$ 192,608</u>	<u>\$ 52,933</u>
Expenditures:			
General government	\$ 23,300	\$ 40,227	\$ (16,927)
Public safety	81,150	79,988	1,162
Public works	---	---	---
Highways and streets	35,000	18,791	16,209
Total expenditures	<u>\$ 139,450</u>	<u>\$ 139,006</u>	<u>\$ 444</u>
Excess of revenues over expenditures	\$ 225	\$ 53,602	\$ 53,377
Fund balance, beginning	<u>148,547</u>	<u>148,547</u>	<u>---</u>
Fund balance, ending	<u>\$ 148,772</u>	<u>\$ 202,149</u>	<u>\$ 53,377</u>

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEPINE

## Statement D

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
RETAINED EARNINGS - PROPRIETARY FUND TYPE  
Year Ended June 30, 2000

	Enterprise Fund
Operating revenues:	
Charges for services	\$ 214,812
Operating expenses:	
Personal services	\$ 110,809
Supplies	39,719
Other services and charges	35,684
Heat, light, and power	24,284
Depreciation	91,941
Amortization	591
Total operating expenses	\$ 303,028
Operating loss	\$ (88,216)
Non-operating revenues (expenses):	
Sales taxes	\$ 77,254
Interest income	5,667
Interest expense	(46,159)
Retirement buy back	(77,403)
Miscellaneous	2,121
Total non-operating revenues (expenses)	\$ (38,520)
Net income	\$ (126,736)
Retained earnings, (deficit) beginning	(218,305)
Retained earnings, (deficit) ending	\$ (345,041)

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEPINE

## Statement E

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE  
For the Year Ended June 30, 2000

	Enterprise Fund
Cash flows from operating activities:	
Cash received for charges for services	\$ 214,271
Cash payments to suppliers for goods and services	(101,697)
Cash payments to employees for salaries and related benefits	(109,799)
Net cash provided by operating activities	<u>\$ 2,775</u>
Cash flows from noncapital financing activities:	
Sales tax revenue	\$ 77,254
Miscellaneous income	2,121
Buy back of retirement benefits	(77,403)
Net cash provided by noncapital financing activities	<u>\$ 1,972</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	\$ (623,468)
Principal paid on long-term debt	(20,645)
Interest paid on long-term debt	(43,461)
Contributed capital received	600,000
Proceeds of loan	52,403
Net cash used for capital and related financing activities	<u>\$ (35,171)</u>
Cash flows from investing activities:	
Interest on cash management activities	\$ 5,667
Net increase in cash and cash equivalents	<u>\$ (24,757)</u>
Cash and cash equivalents, beginning of year	274,769
Cash and cash equivalents, end of year	<u>\$ 250,012</u>

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEPINE

Statement E

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE  
For the Year Ended June 30, 2000RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY  
OPERATING ACTIVITIES:

	Enterprise Fund
Operating loss	<u>\$ (88,216)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	\$ 92,532
Changes in assets and liabilities:	
Increase in accounts receivable	(2,310)
Increase in prepaid expenses	(653)
Decrease in payroll taxes receivable	1,010
Increase in allowance for doubtful accounts	116
Increase in customer deposit	1,485
Increase in accounts payable	780
Increase in due from other funds	(2,137)
Increase in due to other funds	168
Total adjustments	<u>\$ 90,991</u>
Net cash provided by operating activities	<u>\$ 2,775</u>

The accompanying notes are an integral part of this statement.



## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2000

#### INTRODUCTION

The Town of Rosepine was incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Rosepine conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of States and Local Governmental Units.

The Town maintains a general fund that provides police protection for its citizens and repairs and maintenance of approximately 7 miles of roads and streets. The Town also maintains an enterprise fund that provides water and sewer services to approximately 700 residents.

The Town is located within Vernon Parish in the southwestern part of the State of Louisiana and is comprised of approximately 1,500 residents. The governing board is composed of five elected aldermen that are compensated for regular and special board meetings. There are four employees who maintain the water and sewer systems and handle the clerical work of the Town. The police department consists of an elected chief of police and one full time deputy.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. BASIS OF PRESENTATION

The accompanying financial statements of the Town of Rosepine have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

##### B. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Town of Rosepine is considered a separate financial reporting entity. The Town of Rosepine, which is the primary government, does not have (a) organizations for which the primary government is financially accountable, and (b) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, therefore the Town is also the financial reporting entity.



## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### C. FUND ACCOUNTING

The municipality uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

##### Governmental Funds

Governmental funds are used to account for all or most of the municipality's general activities including the acquisition or construction of general fixed assets, and the servicing of general long term debt. Governmental funds include:

1. General fund - the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.
2. Capital projects fund - accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

##### Proprietary Fund

The proprietary fund is used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The proprietary fund differs from the governmental fund in that its focus is on income measurement, which together with the maintenance of equity, is an important financial indicator. The proprietary fund includes:

1. Enterprise fund - accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

#### D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of the funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

##### Revenues

Revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed income and gross receipts are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

##### Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

##### Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

The proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### E. BUDGET

The primary government municipality uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budget for the General Fund and Capital Projects Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

#### F. ENCUMBRANCES

The Town of Rosepine does not use encumbrance accounting.

#### G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and or any other state of the United States, or under the laws of the United States. Other cash and cash equivalent information is shown in Note 4.

#### H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the municipality's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The Town of Rosepine, Louisiana had no investments as of June 30, 2000.

#### I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/ payables.

#### J. INVENTORIES

The Town of Rosepine does not maintain an inventory. Purchases are made as needed for repair and maintenance and replacement of existing equipment.

#### K. PREPAID ITEMS

Prepaid amounts consist of insurance policy premiums paid in advance.

#### L. RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Bond sinking funds - The Utility Revenue bonds dated November 1, 1995 require a monthly deposit into a sinking fund of \$2,600 for payment of principal due each month. The Utility Revenue Refunding bonds dated June 1, 1998 require a sinking fund deposit paid monthly



## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

in advance on or before the 20th day of each month during the period June, 1998 through March, 1999, of \$2,919.94 and thereafter monthly in advance on or before the 20th day of each month of each year. Commencing April, 1999, a sum equal to one-sixth (1/6th) of the interest falling due on the next interest payment date and a sum equal to one-twelfth (1/12th) of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due shall be deposited into the sinking fund.

Bond reserve funds - The Utility Revenue bonds dated November 1, 1995 require a monthly deposit into a reserve fund of \$130 until a \$31,200 balance is accumulated therein. Money in these accounts is used to pay the maturing principal and interest on the bonds when there is not sufficient money in the sinking funds.

Depreciation and contingency funds - The Utility Revenue bonds dated November 1, 1995 require a monthly deposit into a depreciation and contingency fund of \$133 for the life of the bond. Money in this account is used for repairs and replacement of the existing utility system. The Utility Revenue Refunding Bonds dated June 1, 1998 require a depreciation and contingency fund deposit paid monthly in advance on or before the 20th day of each month, commencing June, 1998, a sum at least equal to five percent (5%) of the amount to be paid into the sinking fund.

#### M. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are capitalized. Interest costs incurred during construction are not capitalized.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds, net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight line method and useful lives as follows:

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### Utility Fund -

Wells	40 years
Storage tanks	40 years
Purification plants	40 years
Lines and meters	40 years
Autos and trucks	5 years
Other equipment	3-15 years
Pump stations	40 years
Lines	40 years
Buildings	40 years

#### N. COMPENSATED ABSENCES

The Town of Rosepine does not provide for the accumulation and vesting of leave.

#### O. LONG-TERM OBLIGATIONS

For the primary government, long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

#### P. FUND EQUITY

##### Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

##### Reserves

Reserves represent those portions of fund equity not appropriated for expenditures or legally segregated for a specific future use.

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

#### Q. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers.

#### R. SALES TAXES

The Town of Rosepine receives a one-percent sales tax which is dedicated to the maintenance of the sewer system for a period of 40 years beginning December 14, 1972.

#### S. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

#### T. FASB PRONOUNCEMENTS

The Town of Rosepine has applied all applicable GASB (Government Accounting Standards Board) pronouncements as well as FASB (Financial Accounting Standards Board) statements and interpretations, APB (Accounting Principles Board) opinions and (ARB's) Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Also, applied are all FASB statements and interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

# TOWN OF ROSEPINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2. FUND DEFICITS

The following individual fund had a deficit in its unreserved retained earnings at June 30, 2000

<u>Fund</u>	<u>Deficit Amount</u>
Enterprise Fund	<u>\$ 381,652</u>

The retained earnings deficit of the enterprise fund arises because of the application of generally accepted accounting principles of financial reporting for such funds.

Depreciation and amortization, non-cash expenses, contributes to the deficit. Even though the retained earnings deficit exists, the enterprise fund had an overall fund equity of \$1,702,180 at June 30, 2000. The Board of Aldermen will raise user fees to reduce the retained earnings deficit, when needed.

### 3. LEVIED TAXES

Taxes are levied on January 1, billed between November 1 and November 15, and payable by December 31. The lien date for unpaid taxes is August 15 of the following year. The tax collector bills and collects the Town's taxes. Town property tax revenues are recognized when billed to the extent that they result in current receivables.

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Citywide taxes:			
General corporate tax	5.00	5.00	renewed annually

### 4. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2000:

Demand deposits	\$ 13,695
Interest-bearing demand deposits	434,330
Petty Cash	<u>805</u>
Total	<u>\$ 448,830</u>



# TOWN OF ROSEPINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These deposits are stated at cost, which approximate market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2000, the primary government has \$454,453 in deposits (collected bank balances). These deposits are secured from risk by \$113,695 of federal deposit insurance and \$340,758 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

### 5. INVESTMENTS

The Town of Rosepine had no investments as of June 30, 2000.

### 6. RECEIVABLES

The following is a summary of receivables for June 30, 2000:

<u>Class of Receivable</u>	<u>Primary Government</u>	
	<u>General Fund</u>	<u>Proprietary Fund</u>
Taxes:		
Franchise taxes	\$ 8,041	\$ ---
Federal funds	3,855	---
Utility billing:		
Accounts, net of allowance for doubtful accounts	---	24,355
Total	<u>\$ 11,896</u>	<u>\$ 24,355</u>

# TOWN OF ROSEPINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of June 30, 2000 the Town of Rosepine had accounts receivable of \$25,637 and an allowance for doubtful accounts of \$1,282. Accounts receivables are shown as \$24,355, net of the allowance account. The Town has elected to write off bad debts as they are deemed to be uncollectible as determined by management. Bad debts are shown as an expense of operations in the enterprise fund.

### 7. FIXED ASSETS

The changes in general fixed assets follow:

	Primary Government		
	Balance June 30, 1999	Additions	Balance June 30, 2000
Land	\$ 410	\$ ---	\$ 410
Improvements other than buildings	44,898	---	44,898
Equipment and furniture	73,170	9,218	82,388
Total	<u>\$118,478</u>	<u>\$ 9,218</u>	<u>\$ 127,696</u>

A summary of proprietary property, plant and equipment follows:

	Primary Government
Land	\$ 24,175
Buildings	80,584
Wells	734,187
Sewer plant & equipment	1,980,088
Mains, storage & equipment	680,017
Fences	9,340
Intangible cost	79,879
Office furniture & fixtures	17,121
Truck and tractors	63,795
Bond issuance cost	7,097
Total	<u>\$ 3,676,283</u>

# TOWN OF ROSEPINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	Primary Government
Less:	
Accumulated depreciation	\$ (1,432,551)
Accumulated amortization	(1,232)
Total	<u>\$ 2,242,500</u>

### 8. PENSION PLAN

Substantially all employees of the Town of Rosepine are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

#### A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62 unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the Town of Rosepine is required to contribute at an actuarially determined rate. The current rate is 4.50% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Rosepine are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Rosepine contributions to the System under Plan B for the year ended June 30, 2000, was \$1,412, respectively, equal to the required contributions for each year.

#### Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Rosepine is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Rosepine are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Rosepine contributions to the System for the year ended June 30, 2000, 1999, and 1998 were \$3,502, \$2,868, and \$2,573 respectively, equal to the required contributions for each year.



TOWN OF ROSEPINE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2000:

<u>Class of Payable</u>	<u>Primary Government</u>	
	<u>General Fund</u>	<u>Proprietary Fund</u>
Accounts	<u>\$ 9,139</u>	<u>\$ 7,819</u>

10. LEASES

The Town of Rosepine had no leases as of June 30, 2000.

11. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2000:

	<u>Proprietary Fund</u>			<u>General Fund</u>	
	<u>Bonded Debt</u>	<u>Mortgage Note</u>	<u>Promissory Note</u>	<u>Mortgage Note</u>	<u>Total</u>
Long-term obligations payable at June 30, 1999	<u>\$ 700,230</u>	<u>\$ 49,594</u>	<u>\$ ---</u>	<u>\$ 5,887</u>	<u>755,711</u>
Additions	---	---	52,403	---	52,403
Principal payments	(18,642)	---	(2,003)	(5,887)	(26,532)
Reduction in deferred valuation account	<u>2,270</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>2,270</u>
Long-term obligations payable at June 30, 2000	<u>\$ 683,858</u>	<u>\$ 49,594</u>	<u>\$ 50,400</u>	<u>\$ ---</u>	<u>\$ 783,852</u>

# TOWN OF ROSEPINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Revenue bonds, are comprised of the following individual issues:

### Utilities Revenue Refunding Bonds, Series 1998

\$247,000 Utilities Revenue Refunding Bonds dated 6-1-98, due in average annual installments of \$31,000 through 4-1-10, interest at 7.25%. Proceeds to be used for constructing and acquiring extensions and improvements to the combined waterworks and sewerage systems.

\$ 222,648

### Utilities Revenue Bonds

\$500,000 Utilities Revenue Bonds dated 11-1-95; due in monthly installments of \$2,600 beginning 12-1-96 and continuing through 11-1-2035; interest at the rate of 5 1/2%. Proceeds to be used for constructing and acquiring extensions and improvements to the combined waterworks and sewerage systems including the payment of a bond anticipation note dated 4-20-95 issued to provide interim financing for the project.

\$ 483,341

### Promissory Note

\$52,403 promissory note dated 11-4-99 due in monthly installments of \$610 beginning 12-20-99 and continuing through 11-20-99; interest at the rate of 7.00%. Proceeds to be used to fund the buy back of retirement for employees joining the Municipal Employees Retirement System of Louisiana.

\$ 50,400

The annual cash flows required to service the debt as of June 30, 2000, including interest payments of \$ 764,390, are as follows:

June 30,	Proprietary Fund			Total
	Utilities Revenue Refunding Bonds	Utilities Revenue Bonds	Promissory Note	
2001	\$ 33,657	\$ 31,200	\$ 7,325	\$ 72,182
2002	35,082	31,200	7,325	73,607
2003	34,300	31,200	7,325	72,825
2004	33,519	31,200	7,325	72,044
2005	34,857	31,200	7,325	73,382
Thereafter	144,187	980,200	32,352	1,156,739
Total	\$ 315,602	\$ 1,136,200	\$ 68,977	\$ 1,520,779

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Town of Rosepine has a mortgage note payable in the amount of \$49,594 carried on its books. This note arose years ago when a local subdivision developer paid to have Town water lines run throughout the subdivision. The Town agreed to charge new connecting customers a fee to tap into the Town water line and in turn pay the local developer. A note was signed between the Town and the land developer and the contract was honored for several years. The developer then went bankrupt and relocated. The Town has requested and received a legal opinion from their attorney that states the note should remain on the books but payments need not be made to the bankrupt developer at this time.

#### 12. RESERVED RETAINED EARNINGS

The Enterprise Fund-Utility Fund has reserved retained earnings available as follows:

Sinking funds	\$ 13,693
Reserve funds	21,497
Depreciation and contingency funds	26,477
Customer deposits	27,334
Total	<u>\$ 89,001</u>
Less:	
Liabilities payable from restricted assets:	
Current portion of bonds	\$ 21,676
Accrued interest on bonds	4,024
Customer deposits	26,690
Total	<u>\$ 52,390</u>
Reserved retained earnings	<u>\$ 36,611</u>

TOWN OF ROSEPINE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital:

	<u>Primary Government</u>
	<u>Enterprise Fund</u>
Balance at June 30, 1999	<u>\$ 1,447,221</u>
Additions:	
LCDBG grant	600,000
Deductions	<u>---</u>
Balance at June 30, 2000	<u>\$ 2,047,221</u>



## SUPPLEMENTAL INFORMATION SCHEDULES

## GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWN OF ROSEPINE  
GENERAL FUND

Schedule 1

BALANCE SHEET  
June 30, 2000

ASSETS	<u>2000</u>
Cash	\$ 198,762
Franchise taxes receivable	8,041
Intergovernmental:	
Federal funds	3,855
Due from utility fund	168
Due from other governmental units	1,476
Prepaid insurance	<u>2,971</u>
Total assets	<u>\$ 215,273</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 9,139
Due to utility fund	<u>3,985</u>
Total liabilities	<u>\$ 13,124</u>
Fund balance:	
Unreserved - undesignated	<u>\$ 202,149</u>
Total liabilities and fund balance	<u>\$ 215,273</u>

TOWN OF ROSEPINE  
GENERAL FUND

Schedule 2

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 2000

	2000		Variance -
	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Taxes	\$ 54,500	\$ 53,333	\$ (1,167)
Licenses and permits	27,000	30,775	3,775
Intergovernmental	21,000	33,561	12,561
Fines and forfeits	35,000	71,147	36,147
Other revenues	2,175	3,792	1,617
Total revenues	<u>\$ 139,675</u>	<u>\$ 192,608</u>	<u>\$ 52,933</u>
Expenditures:			
General government	\$ 23,300	\$ 40,227	\$ (16,927)
Public safety	81,150	79,988	1,162
Highways and streets	35,000	18,791	16,209
Total expenditures	<u>\$ 139,450</u>	<u>\$ 139,006</u>	<u>\$ 444</u>
Excess of revenues over expenditures	\$ 225	\$ 53,602	\$ 53,377
Fund balance, beginning	<u>148,547</u>	<u>148,547</u>	<u>---</u>
Fund balance, ending	<u>\$ 148,772</u>	<u>\$ 202,149</u>	<u>\$ 53,377</u>

TOWN OF ROSEPINE  
GENERAL FUND

Schedule 3

SCHEDULE OF REVENUES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 2000

	2000		Variance - Favorable (Unfavorable)
	Budget	Actual	
Taxes:			
Ad valorem taxes	\$ 15,000	\$ 16,726	\$ 1,726
Franchise taxes	39,500	36,607	(2,893)
Total taxes	<u>\$ 54,500</u>	<u>\$ 53,333</u>	<u>\$ (1,167)</u>
Licenses and permits:			
Occupational licenses	<u>\$ 27,000</u>	<u>\$ 30,775</u>	<u>\$ 3,775</u>
Intergovernmental:			
Tobacco taxes	\$ 6,000	\$ 5,905	\$ (95)
Federal grants	15,000	17,656	2,656
State grants	---	10,000	10,000
Total intergovernmental	<u>\$ 21,000</u>	<u>\$ 33,561</u>	<u>\$ 12,561</u>
Fines and forfeits:			
Traffic fines	<u>\$ 35,000</u>	<u>\$ 71,147</u>	<u>\$ 36,147</u>
Miscellaneous:			
Miscellaneous	\$ 175	\$ 158	\$ (17)
Interest income	2,000	3,634	1,634
Total other revenue	<u>\$ 2,175</u>	<u>\$ 3,792</u>	<u>\$ 1,617</u>
Total revenues	<u>\$ 139,675</u>	<u>\$ 192,608</u>	<u>\$ 52,933</u>

TOWN OF ROSEPINE  
GENERAL FUND

Schedule 4

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 2000

	2000		
	Budget	Actual	Variance - Favorable (Unfavorable)
General government:			
Supplies	\$ 2,500	\$ 1,455	\$ 1,045
Other services and charges	6,800	18,042	(11,242)
Heat, light, and power	14,000	13,984	16
Capital outlay	---	6,746	(6,746)
Total general government	<u>\$ 23,300</u>	<u>\$ 40,227</u>	<u>\$ (16,927)</u>
Public safety:			
Personal services	\$ 40,000	\$ 52,543	\$ (12,543)
Supplies	3,400	1,203	2,197
Other services and charges	37,750	17,736	20,014
Principal paid on long-term debt	---	5,887	(5,887)
Interest expense	---	146	(146)
Capital outlay	---	2,473	(2,473)
Total public safety	<u>\$ 81,150</u>	<u>\$ 79,988</u>	<u>\$ 1,162</u>
Highways and streets:			
Street maintenance	<u>\$ 35,000</u>	<u>\$ 18,791</u>	<u>\$ 16,209</u>
Total expenditures	<u>\$ 139,450</u>	<u>\$ 139,006</u>	<u>\$ 444</u>

## CAPITAL PROJECTS FUND

Water System Improvements - To account for LCDBG grant funds used for improvements to the existing water system and construction of a new waterwell.

TOWN OF ROSEPINE  
CAPITAL PROJECTS FUND

Schedule 5

BALANCE SHEET  
June 30, 2000

ASSETS		Water System Improvements
Current assets:		
Cash		<u>\$          56</u>
Total assets		<u>\$          56</u>
LIABILITIES AND FUND BALANCES		
Current liabilities:		
Due to utility fund		<u>\$          56</u>
Fund Balance		
Unreserved/Undesignated		<u>\$          ---</u>
Total liabilities and fund balance		<u>\$          56</u>



TOWN OF ROSEPINE  
CAPITAL PROJECTS FUND

Schedule 6

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 2000

	<u>Water System Improvements</u>
Revenues:	
LCDBG grant revenue	<u>\$ 152,000</u>
Expenditures:	
Engineering and other cost	\$ 137,139
Construction cost	<u>14,861</u>
Total expenditures	<u>\$ 152,000</u>
Excess (deficiency) of revenues over expenditures	---
Fund balance at beginning of year	<u>\$ ---</u>
Fund balance at end of year	<u>\$ ---</u>

## ENTERPRISE FUND

Utility Fund - To account for the provisions of water and sewer services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financial and related debt service, and billing and collection.

TOWN OF ROSEPINE  
ENTERPRISE FUND

Schedule 7

BALANCE SHEET  
June 30, 2000

ASSETS	<u>2000</u>
Current assets:	
Cash	\$ 161,000
Accounts receivable:	
Accounts, net of allowance for doubtful accounts	24,355
Due from general fund	3,985
Due from capital projects fund	56
Prepaid insurance	<u>3,825</u>
Total current assets	<u>\$ 193,231</u>
Restricted assets:	
Bond reserve, sinking fund and contingency account	\$ 61,668
Customers' deposits	<u>27,334</u>
Total restricted assets	<u>\$ 89,002</u>
Plant in service:	
Property, plant, and equipment at cost, net of accumulated depreciation	\$ 2,236,635
Bond issue cost, net of accumulated amortization	<u>5,865</u>
Total plant in service	<u>\$ 2,242,500</u>
Total assets	<u>\$ 2,524,733</u>

(Continued)

TOWN OF ROSEPINE  
ENTERPRISE FUND

Schedule 7

BALANCE SHEET  
June 30, 2000

LIABILITIES AND FUND EQUITY	<u>2000</u>
Liabilities:	
Current liabilities (payable from current assets);	
Accounts payable	\$ 7,819
Due to general fund	<u>168</u>
Total current liabilities (payable from current assets)	<u>\$ 7,987</u>
Current liabilities (payable from restricted assets):	
Current portion of bonds	\$ 25,597
Accrued bond interest	4,024
Customers' deposits	<u>26,690</u>
Total current liabilities (payable from restricted assets)	<u>\$ 56,311</u>
Long-term liabilities:	
Mortgage note payable	\$ 49,594
Bonds payable	730,792
Deferred refunding valuation	<u>(22,131)</u>
Total long-term liabilities	<u>\$ 758,255</u>
Total liabilities	<u>\$ 822,553</u>

(Continued)

TOWN OF ROSEPINE  
ENTERPRISE FUND

Schedule 7

BALANCE SHEET  
June 30, 2000

LIABILITIES AND FUND EQUITY	<u>2000</u>
Fund Equity:	
Contributed capital -	
Municipality	\$ 18,313
Federal and state grants	<u>2,028,908</u>
Total contributed capital	<u>\$ 2,047,221</u>
Retained earnings:	
Reserve for contingency funds	\$ 36,611
Unreserved	<u>(381,652)</u>
Total retained earnings	<u>\$ (345,041)</u>
Total fund equity	<u>\$ 1,702,180</u>
Total liabilities and fund equity	<u>\$ 2,524,733</u>
	(Concluded)

TOWN OF ROSEPINE  
ENTERPRISE FUND

Schedule 8

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
RETAINED EARNINGS - PROPRIETARY FUND TYPE

Year ended June 30, 2000

	<u>2000</u>
Operating revenues:	
Charges for services	<u>\$ 214,812</u>
Operating expenses:	
Personal services	\$ 110,809
Supplies	39,719
Other services and charges	35,684
Heat, light, and power	24,284
Depreciation	91,941
Amortization	591
Total operating expenses	<u>\$ 303,028</u>
Operating loss	<u>\$ (88,216)</u>
Non-operating revenues (expenses):	
Sales taxes	\$ 77,254
Interest income	5,667
Interest expense	(46,159)
Retirement buy back	(77,403)
Miscellaneous income	2,121
Total non-operating revenues (expenses)	<u>\$ (38,520)</u>
Net income	\$ (126,736)
Retained earnings, (deficit) beginning	<u>(218,305)</u>
Retained earnings, (deficit) ending	<u>\$ (345,041)</u>

TOWN OF ROSEPINE  
ENTERPRISE FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-RESTRICTED ACCOUNTS  
REQUIRED BY BOND ORDINANCE  
Year Ended June 30, 2000

	FNB Sinking Fund	FNB Depreciation and Contingency Fund
Cash July 1, 1999	\$ 8,628	\$ 18,079
Cash receipts:		
Transfers from operating cash	\$ 34,215	\$ 1,717
Interest income	---	\$ 433
Total cash available	\$ 42,843	\$ 20,229
Cash disbursements:		
Principal payments	\$ 16,976	\$ ---
Interest payments	17,373	---
Payments to escrow	---	---
Bank fees	---	---
Total cash disbursements	\$ 34,349	\$ ---
Cash June 30, 2000	\$ 8,494	\$ 20,229

## Schedule 9

RECD Sinking Fund	RECD Reserve Fund	RECD Depreciation and Contingency Fund	Total
<u>\$ 5,201</u>	<u>\$ 19,474</u>	<u>\$ 4,529</u>	<u>\$ 55,911</u>
 \$ 31,200	 \$ 1,560	 \$ 1,596	 \$ 70,288
<u>---</u>	<u>463</u>	<u>123</u>	<u>1,019</u>
<u>\$ 36,401</u>	<u>\$ 21,497</u>	<u>\$ 6,248</u>	<u>\$ 127,218</u>
 \$ 1,666	 \$ ---	 \$ ---	 \$ ---
29,534	---	---	---
---	---	---	---
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>\$ 31,200</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 65,549</u>
<u>\$ 5,201</u>	<u>\$ 21,497</u>	<u>\$ 6,248</u>	<u>\$ 61,669</u>



## TOWN OF ROSEPINE

Schedule 10

## SCHEDULE OF GENERAL FIXED ASSETS

June 30, 2000

	<u>2000</u>
General fixed assets, at cost:	
Equipment	\$ 82,388
Land	410
Bridge	<u>44,898</u>
Total general fixed assets	<u>\$ 127,696</u>
Investment in general fixed assets:	
General fund revenues	\$ 79,279
Volunteer fire department	3,519
Grant funds	<u>44,898</u>
Total investment in general fixed assets	<u>\$ 127,696</u>

## TOWN OF ROSEPINE

Schedule 11

## SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS

June 30, 2000

	<u>Equipment</u>	<u>Land</u>	<u>Bridge</u>	<u>Total</u>
General fixed assets, beginning of year	\$ 73,170	\$ 410	\$ 44,898	\$ 118,478
Additions:				
Assets added	<u>9,218</u>	<u>---</u>	<u>---</u>	<u>9,218</u>
Deductions:				
Assets removed	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
General fixed assets, end of year	<u>\$ 82,388</u>	<u>\$ 410</u>	<u>\$ 44,898</u>	<u>\$ 127,696</u>

SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
Year ended June 30, 2000

<u>Board Member</u>	<u>Total Paid</u>
Carol Bosley	\$ 1,200
James Weeks	1,225
Kenneth Harper	1,225
Jimmy Cryer	1,225
Todd Fazio	1,200
	<u>\$ 6,075</u>

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year ended June 30, 2000

General Fixed Assets

Finding:

The Town of Rosepine, Louisiana does not maintain a listing of its general fixed assets, therefore there is no control over the safeguarding of assets through periodic inventory counts which would be matched to the asset listing with any discrepancies investigated.

Corrective action taken - Yes

SCHEDULE OF THE CORRECTIVE ACTION PLAN  
FOR CURRENT YEAR AUDIT FINDINGS  
Year ended June 30, 2000

Current Year Audit Findings

The follow-up and corrective action taken on all current audit findings is presented in the summary schedule of current audit finding (Schedule 14).



## TOWN OF ROSEPINE

Post Office Box 528

ROSEPINE, LOUISIANA 70659

(318) 463-8908

JEFF L. JAMES, Mayor  
JAMES D. PARROTT, Chief of Police  
MELISSA A. DAVIS, Clerk-Treasurer

JAMES P. WEEKS, Alderman, Mayor-Pro tem  
VIVIAN C. BOSLEY, Alderman  
TODD J. FAZIO, Alderman  
JAMES E. CRYER, Alderman  
JAMES K. HARPER, Alderman

December 15, 2000

Dr. Daniel G. Kyle  
Legislative Auditor  
P.O. Box 94397  
Baton Rouge, La. 70804-9397

Dear Dr. Kyle,

During our annual audit by John A. Windham, CPA he found two things in which the Town of Rosepine was found in noncompliance.

**Finding No. 1** - An amended budget was not done and the Town's actual figures were more than 5% of total expenditures.

**Explanation:** The Town Clerk was on maternity leave. The person filling in for her was not aware the budget should be amended.

In the future the budget will be amended when needed.

**Finding No. 2** - The Town of Rosepine borrowed \$52,403.00 from a local bank without the approval of the State Bond Commission.

**Explanation:** I, the Mayor, Town Clerk, and Board of Aldermen were not aware that we should obtain approval of the State Bonding Commission prior to incurring any debt.

In the future the Town of Rosepine will obtain the approval of the State Bonding Commission prior to incurring any debt.

We apologize for being in noncompliance. We will strive to be more attentive to the regulations placed upon the Town of Rosepine.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff L. James", written over the printed name.

Jeff L. James  
Mayor



# **John A. Windham, CPA**

*A Professional Corporation*

1620 North Pine St.  
DeRidder, LA 70634  
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John A. Windham, CPA

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENTS AUDITING STANDARDS"

The Honorable Jeff James, Mayor  
and the Members of the Board of Aldermen  
Town of Rosepine, Louisiana

I have audited the general purpose financial statements of the Town of Rosepine, Louisiana, as of and for the year ended June 30, 2000, and have issued my report thereon dated November 3, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in GOVERNMENT AUDITING STANDARDS, issued by the comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Town of Rosepine, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS, which are described below.

### Audit Finding No. 1

#### Budget Variances

##### Finding:

The budgets were prepared prior to the beginning of the fiscal year but were never amended. This created large budget variances over the tolerable limit of 5% of total expenditures. The Mayor was not notified by the Clerk when the budgeted figures fell below the actual figures by more than 5% of total expenditures. This is in violation of R.S. 39:1310.

Honorable Jeff James, Mayor  
And the Members of the Board of Aldermen  
Town of Rosepine, Louisiana  
Page 2

Recommendation:

I recommend that the Mayor and Clerk prepare a budget for the general fund and submit the same to the Board no later than fifteen days prior to the beginning of each fiscal year. The Mayor should compare budgeted figures to actual figures throughout the year and amend the budget as necessary. If the Clerk recognizes that budgeted figures have fallen below actual figures by more 5% of total expenditures the Mayor should be notified in writing.

Audit Finding No. 2

Unapproved Borrowed Funds

Finding:

The Town of Rosepine borrowed \$52,403 from a local bank without the approval of the State Bonding Commission. The loan is in the form of a promissory note dated November 4, 1999, payable in monthly installments of \$610.42 for a period of 120 months, and interest at the rate of 7.00%. This is in violation of Louisiana Revised Statutes 47:1803-4.

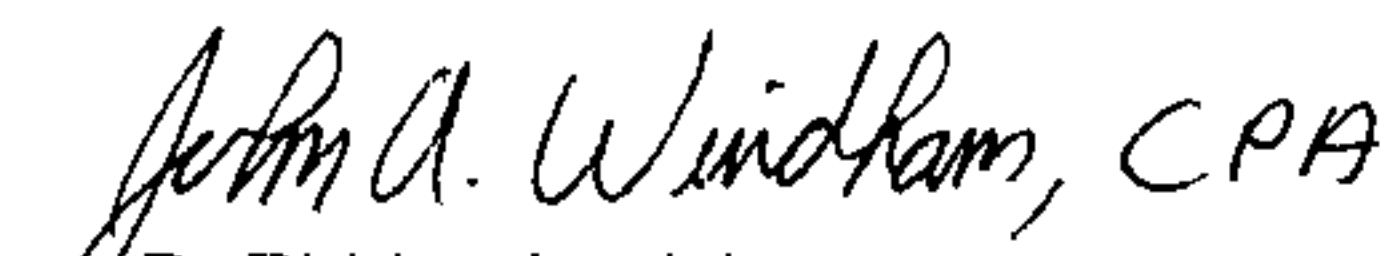
Recommendation:

I recommended that the Town obtain the approval of the State Bonding Commission prior to incurring any debt. I also recommend that the Town either have their attorney present at the council meetings or furnish him a copy of the minutes of the meetings as soon as possible after the meetings.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Rosepine, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, the Board of Aldermen and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

  
DeRidder, Louisiana  
November 3, 2000